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# State of Utah Department of Commerce

## Division of Securities

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### NEWS RELEASE

September 13, 2007

#### **Midway Real Estate Investment Alleged to be Fraud**

***Cash Flow Guru took \$120,000 from investor, promising 24% "no-risk" guaranteed return ...***

**SALT LAKE CITY, Utah** – Midway-based Cash Flow Gurus, Inc. and its owner, David Rhetta Adlard, were accused today by the Utah Division of Securities of taking \$120,000 from an investor based on promises the money would be used to develop real estate, but using the money for personal expenses. The Division issued an order to show cause seeking an order preventing Adlard and Cash Flow Gurus from any further violations of the law and fines of \$300,000.

The order to show cause alleges that Adlard sponsored a "free-dinner" seminar in late 2005, purportedly to educate people about getting financial aid and scholarships for college. Adlard offered to be the financial advisor for those in the audience. In 2006, one of the seminar attendees contacted Adlard asking for help with an inheritance. Adlard took the investor to see multiple real estate properties in Midway, saying Adlard and Cash Flow Gurus owned the properties. The investor sent \$50,000 to Cash Flow Gurus. Adlard promised the investor 24% return on monies invested, asserting the investment had no risk and was guaranteed. According to the Division, in October, Adlard persuaded the investor to borrow money using equity in the investor's home and invest an additional \$70,000.

The order to show cause alleges that Adlard engaged in fraudulent practices by using the investor's money for personal expenses such as paying child support, state and federal tax payments, dining, groceries, and buying gas. He also is accused of falsely stating the investment had no risk and that a return of 24% was guaranteed. Additionally, Adlard failed to tell the investor that he had filed for bankruptcy in 1996 and had unpaid child support judgments entered against him.

Adlard and Cash Flow Gurus are accused of violating the law by engaging in securities fraud. A hearing will be held on November 5, 2007 to determine whether they dispute the Division's allegations.

Investors are urged to contact the Division to make sure anyone offering investments is licensed. 801.530.6600, or toll free at 1.800.721.7233. [www.securities.utah.gov](http://www.securities.utah.gov).